

University of Missouri
Economics 4367/7367: Law and Economics
Spring Semester 2019

Meeting Place: Arts and Sciences 114

Meeting Time: Tuesday and Thursday; 12:30PM- 1:45PM

Course Instructor: Jeff Milyo
Office: 235 Professional Building
Hours: MWF 11:00AM and by appointment
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Course Overview:

This course provides a survey of the economic analysis of American legal institutions. Students will apply microeconomic theory, game theory and statistical concepts to the study of property, contracts, torts, the legal process, and crime.

Prerequisites: Econ 3251 or Econ 4351, and Stat 2500 (or equivalent)

Required Texts:

Cooter and Ulen (2016). *Law and Economics; 6th Edition*. The text is available at no cost on the course website; other required reading assignments will be also distributed on the website.

Course Website:

Course materials including handouts, supplemental readings, homework and any important course announcements will be posted on the Canvas site.

Classroom Decorum:

Our class room is a safe space for free expression. By participating in this course, students consent to be exposed to potentially offensive ideas and speech; and agree to engage in class discussion with grace and tolerance.

Students are expected to attend all classes prepared to participate in critical discussion and analyses of assigned readings. Students will be called on in class, challenged to defend responses, and corrected when necessary.

For the sake of other students, please **refrain from creating negative externalities**. For example, mute all electronic devices, eschew complicated snacks; and avoid entering or exiting during class time, except as required by the norms of polite society.

Grading:

Grades are based on the weighted average of the percentage score on two exams (20% each); class participation (10%); homework (10%); and two writing assignments (20% each).

Final course grades will be assigned according to the following schedule:

A+ = 97-100	B+ = 87-89	C+ = 77-79	D+ = 67-69
A = 93-96	B = 83-86	C = 73-76	D = 63-66
A- = 90-92	B- = 80-82	C- = 70-72	D- = 60-62
			F = 59 and lower

Exams:

Exams are closed book and usually include four sections in order of ascending difficulty: definitions\true-false, multiple choice, short answer problems and short essay problems. Students may be required to show a **current student ID with a photo** at each exam.

In case of an emergency that affects your attendance on the day of an exam (e.g., military call-ups, severe and contagious illness, or a death in the immediate family), you will be excused from the exam if and only if you provide me with your justification via e-mail and submit proper documentation in a timely manner (e.g. military orders, doctor's note or published obituary).

Participation:

Students may be called upon in class to answer questions from the assigned reading or homework. All students start the semester with a class participation score of 100 points; penalties will be assessed during the semester as follows:

Five points for each unexcused absence from class ("absence" includes: failure to respond when called upon; failure to turn in required work in class; and failure to retrieve assignments in class)

One point (per 5 minutes) for each unexcused late arrival to class or unexcused early departure from class.

One point for each non-responsive or incoherent answer when called upon to discuss a specific homework assignment or reading

Homework:

Homework is assigned weekly (point totals vary each week, but will be normalized to 100 total points). Homework is intended to be **open-book and open-note**. In addition, you are encouraged to **work with other students**. Homework is due at the start of class; late homework will be penalized one point per 5 minutes late.

Reaction Papers and Peer Reviews:

The writing intensive component of this course consists of two short reaction papers and four peer reviews. A “reaction paper” is a value-added analysis of a recent case, news story, policy debate, academic article, or even a lesson from class. The emphasis should be on positive analysis, **not summary or normative pronouncements**. An ideal reaction paper applies or critiques lessons from class in an original and creative fashion, while generating observations that merit mention in class. “Peer reviews” are commentaries on other students’ papers; the goal is to ensure that reaction papers meet the criteria stated above.

Reaction papers should be at least 4 pages in length, excluding any tables, figures and references; topics do not require approval. The audience for reaction papers is the instructor, so there is no need to define elementary terms and concepts. Reaction papers should be double spaced with one-inch margins all-around.

A well-written assignment is one that communicates information and ideas in the most clear and concise manner possible. Proofread and rewrite to make your writing more efficient. Your goal should be to produce something more in the style of an excellent instruction manual than poetry or a blog post.

All writing assignments must be well-presented. This means free of spelling and grammatical errors, as well as devoid of awkward or incoherent sentences. Papers should be double spaced in 12-point font with one-inch margins all around; pages should be single-sided and stapled. Use standard social science conventions for citations and references. For example, use *last name (year)* or *(last name year)* in the text and include the full reference in a list at the end of your document (e.g., https://www.aeaweb.org/sample_references.pdf).

All writing assignments must be free from plagiarism. This means citing all sources of ideas and facts that are not original to you; in addition, you must identify all direct quotations and paraphrasing, as well as the source (including page number) of all quotations and paraphrasing.

Short quotes (less than 1-2 lines of text) may be identified in the text with quotation marks followed by *(author year, page number)*, or the equivalent. For longer quotes, use block quotation without quotation marks. Block quotations should be offset from the text by extra half-inch side margins and an extra line space, single spaced within the block and followed by *(author year, page number)* after the final punctuation in the block.

It is highly advisable to have your paper critically reviewed by a trusted and brutally honest peer with high standards for quality of writing. Peer reviewers should be acknowledged in the first footnote. In addition, you should read your written assignment aloud; this will help you identify awkward phrasing, runs on sentence and illogical arguments. You should diligently proofread and rewrite your paper multiple times before turning it in for a grade. **Papers that contain multiple spelling or grammatical errors on the first page, or are otherwise very poorly written, will not be graded.**

Additional guidelines for the writing assignments will be distributed in class.

Economics 4367 – Spring 2019: Class Schedule

Week	Days	Topic	Chapters
Week 1	1/22 & 1/24	Introduction to the Economic Analysis of Law	CU 1-3
Week 2	1/29 & 1/31	<i>Homework #1 due Tuesday, 1/29</i> Review of Analytical Tools: Discounting, Expectations & Game Theory	CU 2
Week 3	2/5 & 2/7	<i>Homework #2 due Tuesday, 2/5</i> Property Law and Externalities The Coase Theorem	CU 4
Week 4	2/12 & 2/14	<i>Homework #3 due Tuesday, 2/12</i> Topics in Property: Intellectual Property and Takings	CU 5
Week 5	2/19 & 2/21	<i>Homework #4 due Tuesday, 2/19</i> Contracts: Bargaining in the Shadow of the Law	CU 8
Week 6	2/26 & 2/28	<i>Homework #5 due Tuesday, 2/26</i> Topics in Contracts: Regulations and Licensing	CU 9
Week 7	3/5 & 3/7	<i>Homework #6 due Tuesday, 3/5</i> FIRST EXAM ON THURSDAY, 3/7	
Week 8	3/12 & 3/14	Torts and Product Liability	CU 6
Week 9	3/19 & 3/21	<i>Homework #7 due Tuesday, 3/19</i> Tort Reform NO CLASS ON THURSDAY, 3/21	CU 7
	3/26 & 3/28	SPRING BREAK	
Week 10	4/2 & 4/4	REACTION PAPER DRAFT due 4/2 The Legal Process: Suit, Settlement and Trial	CU 10-11
Week 11	4/9 & 4/11	<i>Homework #8 due Tuesday 4/9</i> Crime and Criminal Law REACTION PAPER FINAL due 4/11	CU 12
Week 12	4/16 & 4/18	<i>Homework #9 due Tuesday 4/16</i> Police & Prison	CU 13
Week 13	4/23 & 4/25	<i>Homework #10 due Tuesday 4/23</i> Topics in Criminal Law: Drugs and Guns	CU 13
Week 14	4/30 & 5/2	<i>Homework #11 due Tuesday 4/30</i> Evolution of Law & Political Economics of the Courts	
Week 15	5/7 & 5/9	REACTION PAPER DRAFT due 5/7 SECOND EXAM on THURSDAY, 5/9 REACTION PAPER FINAL due 5/16	